

**K.A.R. 40-4-29a.** (Authorized by K.S.A. 40-103 and 40-2257(i); implementing K.S.A. 40-2257; effective Jan. 12, 2007; amended Sept. 18, 2015; revoked P-\_\_\_\_\_.)

**APPROVED**

**FEB 05 2024**

**DEPT. OF ADMINISTRATION**

**APPROVED**

**FEB 28 2024**

**ATTORNEY GENERAL**

# Kansas Administrative Regulations Economic Impact Statement (EIS)

Kansas Insurance Department  
Agency

Philip Michael  
Agency Contact

785-296-7809  
Contact Phone Number

40-4-29a  
K.A.R. Number(s)

Permanent     Temporary

Is/Are the proposed rule(s) and regulation(s) mandated by the federal government as a requirement for participating in or implementing a federally subsidized or assisted program?

- Yes    If yes, continue to fill out the remaining form to be included with the regulation packet submitted in the review process to the Department of Administration and the Attorney General. Budget approval is not required; however, the Division of the Budget will require submission of a copy of the EIS at the end of the review process.
- No    If no, do the total annual implementation and compliance costs for the proposed rule(s) and regulation(s), calculated from the effective date of the rule(s) and regulation(s), exceed \$1.0 million over any two-year period through June 30, 2024, or exceed \$3.0 million over any two-year period on or after July 1, 2024 (as calculated in Section III, F)?
- Yes    If yes, continue to fill out the remaining form to be included with the regulation packet submitted in the review process to the Department of Administration, the Attorney General, AND the Division of the Budget. The regulation(s) and the EIS will require Budget approval.
- No    If no, continue to fill out the remaining form to be included with the regulation packet submitted in the review process to the Department of Administration and the Attorney General. Budget approval is not required; however, the Division of the Budget will require submission of a copy of the EIS at the end of the review process.

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## Section I

Brief description of the proposed rule(s) and regulation(s).

The proposed revocation of K.A.R. 40-4-29a removes an extraneous restatement of the statutory language found in K.S.A. 40-2257 and eliminates the reference to an obsolete notice document that is no longer utilized by the insurance industry or the Insurance Department.

## Section II

Statement by the agency if the rule(s) and regulation(s) exceed the requirements of applicable federal law, and a statement if the approach chosen to address the policy issue(s) is different from that utilized by agencies of contiguous states or the federal government. *(If the approach is different or exceeds federal law, then include a statement of why the proposed Kansas rule and regulation is different.)*

The revocation is not mandated by federal law.

## Section III

Agency analysis specifically addressing the following:

- A. The extent to which the rule(s) and regulation(s) will enhance or restrict business activities and growth;

The revocation will have no impact on business activities.

- B. The economic effect, including a detailed quantification of implementation and compliance costs, on the specific businesses, sectors, public utility ratepayers, individuals, and local governments that would be affected by the proposed rule(s) and regulation(s) and on the state economy as a whole;

The revocation will have minimal economic effect on insurers as the revocation does not remove or add to any existing statutory requirements/limitations.

The regulation will have no effect on other business sectors, public utility ratepayers, individuals or local governments.

- C. Businesses that would be directly affected by the proposed rule(s) and regulation(s);

Insurance companies and their distribution partners, i.e., insurance producers. The revocation is intended to remove a duplication between statute and regulation and eliminate the required use of an obsolete notice document.

- D. Benefits of the proposed rule(s) and regulation(s) compared to the costs;

The benefit of the revocation is that it will remove an unnecessary regulation. The revocation will result in minimal compliance costs.

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E. Measures taken by the agency to minimize the cost and impact of the proposed rule(s) and regulation(s) on business and economic development within the State of Kansas, local government, and individuals;

N/A

F. An estimate of the total annual implementation and compliance costs that are reasonably expected to be incurred by or passed along to businesses, local governments, or members of the public.

*Note: Do not account for any actual or estimated cost savings that may be realized.*

Costs to Affected Businesses – \$\$0

Costs to Local Governmental Units – \$\$0

Costs to Members of the Public – \$\$0

**Total Annual Costs – \$\$0**

(sum of above amounts)

Give a detailed statement of the data and methodology used in estimating the above cost estimate.

K.S.A. 40-2257 already provides the necessary protections to insureds.

- Yes      If the total implementation and compliance costs exceed \$1.0 million over any two-year period through June 30, 2024, or exceed \$3.0 million over any two-year period on or after July 1, 2024, and prior to the submission or resubmission of the proposed rule(s) and regulation(s), did the agency hold a public hearing to find that the estimated costs have been accurately determined and are necessary for achieving legislative intent? If applicable, document when the public hearing was held, those in attendance, and any pertinent information from the hearing.
- No
- Not Applicable

If applicable, click here to enter public hearing information.

Provide an estimate to any changes in aggregate state revenues and expenditures for the implementation of the proposed rule(s) and regulation(s), for both the current fiscal year and next fiscal year.

N/A

Provide an estimate of any immediate or long-range economic impact of the proposed rule(s) and regulation(s) on any individual(s), small employers, and the general public. If no dollar estimate can be given for any individual(s), small employers, and the general public, give specific reasons why no estimate is possible.

N/A

G. If the proposed rule(s) and regulation(s) increases or decreases revenues of cities, counties or school districts, or imposes functions or responsibilities on cities, counties or school districts that will increase expenditures or fiscal liability, describe how the state agency consulted with the League of

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Kansas Municipalities, Kansas Association of Counties, and/or the Kansas Association of School Boards.

N/A

- H. Describe how the agency consulted and solicited information from businesses, associations, local governments, state agencies, or institutions and members of the public that may be affected by the proposed rule(s) and regulation(s).

The revocation is proposed based on current industry feedback related to notice requirements and industry practices.

#### Section IV

Does the Economic Impact Statement involve any environmental rule(s) and regulation(s)?

Yes If yes, complete the remainder of Section IV.

No If no, skip the remainder of Section IV.

- A. Describe the capital and annual costs of compliance with the proposed rule(s) and regulation(s), and the persons who would bear the costs.

[Click here to enter agency response.](#)

- B. Describe the initial and annual costs of implementing and enforcing the proposed rule(s) and regulation(s), including the estimated amount of paperwork, and the state agencies, other governmental agencies, or other persons who would bear the costs.

[Click here to enter agency response.](#)

- C. Describe the costs that would likely accrue if the proposed rule(s) and regulation(s) are not adopted, as well as the persons who would bear the costs and would be affected by the failure to adopt the rule(s) and regulation(s).

[Click here to enter agency response.](#)

- D. Provide a detailed statement of the data and methodology used in estimating the costs used.

[Click here to enter agency response.](#)

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**Kansas Administrative Regulations**  
**Economic Impact Statement**  
**Public Hearing Certification**  
*(To be completed after the public hearing)*

**Agency:** [Click here to start typing](#)

**Agency Contact:** [Click here to start typing](#)

**Phone Number or Email:** [Click here to start typing](#)

**K.A.R. Number(s):** [Click here to start typing](#)

**Public Hearing Date:** [Select date](#)

**Public Hearing Time:** [Click here to start typing](#)

**Public Hearing Location:** [Click here to start typing](#)

**Public Hearing Attendance:** [Click here to start typing](#)

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